friend on the other side has mentioned about some revolutionary scheme launched by the Karnataka Government. In the name of subsidy, calling it cheap cloth, in the name of janata dhoti and saree, they have given a particular colour and border. This not only hurts the pride of the poor but humiliates them permanently by saying "Look; you are poor; you wear this jantas dhoti and saree". How can he Karnataka Government utilise the subsidy for humiliating the poor when the Government of India is interested in lifting them above the poverty line?

MR. CHAIRMAN: The question is wholly irrelevant. Please sit down.

SHRI JAGESH DESAI: Mr. Chairman, Sir, the National Textile Corporation is running in loss. One of the reasons is that their amount is blocked by Government and private agencies. An amount of Rs. one crore is due from the Karnataka Government. I would like to know whether, if the amount is not paid within the time laid down, interest is charged and if so, what interest will be charged from the Karnataka Government for non-payment of the amount due? (*Interruptions*).

SHRI KHURSHID ALAM KHAN: Sir, I have mentioned that the outstanding is due to the NCCF and not NTC.

MR. CHAIRMAN: Next question.

SHRI JAGESH DESAI: I wanted to know whether interest will be charged or not. Losses are because interest is not being taken.

MR. CHAIRMAN: He wants to know whether interest will be charged on the amount due.

SHRI KHURSHID ALAM KHAN: It is between the State Government and the NCCF who have really supplied the cloth.

Import of 6 APA by STC

*264. SHRI MOSTAFA BIN QUASEM:†
SHRI K. MOHANAN:

Will the Minister of COMMERCE be pleased to state:

(a) whether Government's attention has been drawn to the import and sale of 6 APA, an intermediate for ampicillin, by the State Trading Corporation during the month of March, 1986;

(b) if so, what are the details thereof; and

(c) whether the STC was able to recover the difference of amount from the drug units; if not in what manner Government propose to ensure the recovery of the amount from them?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI BRAHM DUTT): (a) Yes, Sir.

(b) and (c) A Statement is laid on the Table of the House.

Statement

6-Amino Penicillanic Acid (6-APA) is a drug intermediate canalised through STC. Its price was revised with effect from 5th March, 1986 from Rs. 1230 per kg. to Rs. 1778 per kg. Ten parties took deliveries of this intermediate after 5th March,, 1986 but paid pre-revised price. A notice was, therefore, issued by STC to them to pay the difference between the pre-revised and revised price. One party has paid the price difference and

*The Question was actually asked on the floor of the House by Shri Mostafa Bin Quasem.

three other parties have obtained orders from the Court restraining STC from realising the amount from bank guarantees furnished by them. In respect of six parties, payments from whom are awaited, STC is taking appropriate legal action to realise the amount.

SHRI MOSTAFA BIN QUASEM: Sir, I have gone through the Minister's statement. The notification for the revised price of this imported item 6-APA was issued by the Ministry of Chemicals and Fertilisers on the 5th March, 1986. It is reported that the said notification was received by the STC on the 12th March, 1986. Therefore, there was a communication gap between the Ministry and the STC. Part (a) of my supplementary is, how would the hon. Minister explain this communication gap between the Ministry and the STC and whether any responsibility has been fixed in this respect; (b) what is the total amount of price difference involved in this particular case and (c) whether, under similar conditions Government incurred loss of public money during the last five years. And if so, what is the amount of such loss?

SHRI BRAHM DUTT: Of course, there has been a communication gap and administrative measures are being taken to reduce and avoid it. Coming to the second part of the question about the total amount of money, the difference in price was Rs. 43,81,000. Out of this Rs. 2,30,000 have been realised and Rs. 41,51,000 are being realised.

SHRI MOSTAFA BIN QUASEM: The statement of the hon. Minister shows that this imported item was sold to ten drug units. How many of these 10 drugs units belong to the category of small units and how many belong to the big units or multi-nationals? Part (b) of my second supplementary is whether the Government has received by this time any representation from Indian Drug Manufacturers Association for a waiver of recovery of this price difference. If so, what is the Government's reaction thereto?

SHRI BRAHM DUTT: I have got a list of the 10 firms which purchased this item but I have no information as to how many of them are big or small units. About the second part of his question, we have received a representation from the Drug Manufacturers Association and their main plea was that on 5th the price was revised but the end products were made on the previous cost. In fact, the price of the end product was also raised on 5th March. The Department of Chemicals advised us to realise this price.

MR. CHAIRMAN: Next Question.

SHRI K. MOHANAN: You are always missing me. My name is there.

MR. CHAIRMAN: I am sorry. Yes, Mr. Mohanan. (*Interruptions*). That shows so much regard I have for you.

SHRI K. MOHANAN: The Minister has stated that there was a communication gap. that is the revised notification was issued on 5th March and it was communicated to the STC on 12th March. Due to the delay of one week on the part of the STC and this Ministry 90 per cent of the imported material has been sold. Has the Ministry considered whether it was deliberate on the part of the officials to create a communication gap? Has the Government made any departmental enquiry into this and if so, what are the findings?

Secondly, in your reply you have stated that one party has paid the price difference, three other parties have obtained orders from the Court restraining STC from realising the amount from Bank guarantees furnished by them, and in respect of six parties payments from whom are awaited, STC is taking appropriate legal action to realise the amount. Sir, in one case they have paid, three have gone to the court but what about the remaining six parties?

What action has been taken in regard to those six parties? You have simply said, "Payments from whom are awaited".

SHRI BRAHM DUTT: Bank guarantees of the six parties have been invoked. We have yet to receive the payment from the Banks, we are awaiting the payment.

MR. CHAIRMAN: That means, you are taking action.

SHRI BRAHM DUTT: We have invoked the guarantee. About the first part of the question in regard to a communication gap of seven days, we are arranging that there is no gap like this, but there is no financial loss to the Government that we have assured.

SHRI JAGESH DESAI: Mr. Chairman, Sir, I would like to know the dates on which deliveries were given to all those who had purchased from you. If the deliveries were given even after the receipt of the communication, what action has been taken against them for the loss to the STC?

SHRI BRAHM DUTT: I have got the delivery dates for the 10 firms. Tini Pharma was given delivery on 5th March, Nirlac on 10th, the other on 5th, the other on 7th, the other on 5th, then on 7th, 7th, 7th, 6th. . .

MR. CHAIRMAN: I think about the rest of the answer you can write to the Member concerned.

Next Question.

U.N. Peace keeping army for Sri Lanka

*265. SHRI ALADI ARUNA *alias* V. ARUNACHLAM: Will the Minister of EXTERNAL AFAIRS be pleased to state:

(a) whether Government would exercise their good offices to request the United Nations to send its peace keeping army to Sri Lanka in order to enforce a cease-fire there: and

(b) if not, what are the alternative methods by which India propose to stop the killings in Sri Lanka?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI K. R. NARAYANAN): (a) and (b) A statement is laid on the Table of the House.

Statement

There is no proposal at present to request the United Nations to send peace keeping forces for enforcing a cease-fire in Sri Lanka.

Government belive that only nagotiated political solution can bring peace and put a stop to the killings in Sri Lanka. Government have made available their good offices for the purpose of working out an acceptable political solution to ensure that peace can be restored and killings stopped in Sri Lanka. As a result of the goods offices a pockage of proposals has been drawn up which is currently under discussion between the Sri Lanka Government and the TULF. Government have deplored the violence directed against Tamils in Sri Lanka and pointed out to the Sri Lankan Government that military offensives with escalating levels of violence will jeopardise the prospects for a political solution.

SHRI ALADI ARUNA *alias* V. ARUNACHALAM: In his statement the hon. Minister has started that there is no proposal at present to request the United Nations to send peace keeping forces for enforcing a cease-fire in Sri Lanka. After the acceptance of the cease-fire by the militant groups and Sri Lanka army, the massacre, killing, looting against the Tamils is going on. No day is peaceful. From the year 1985 till now, 3723 Tamils have been killed and 18,579 young Tamils have been arrested. When the atrocities committed by the army were brought to the notice of President Jayewardene, the spokesman of External Affairs Ministry had been reported in the *Hindu* some 15 days backi as saying that President Jayewardene himself has admitted his inability and helplessness, implying that Army of Sri Lanka is out of his control. Then he has held out a threat of war in his speech yesterday. Considering this change of circumstances, will the Government come